

TLOU ENERGY LIMITED**10 July 2019**

Tlou Energy Limited
("Tlou" or "the Company")**Lesedi Gas Flow Testing Update**

Tlou Energy Limited is pleased to announce that the Lesedi 4 production pod has successfully reached Critical Desorption Pressure ("CDP").

Highlights

- The Lesedi 4 pod has reached CDP;
- Short term gas flow test conducted at the Lesedi 3 pod yielding positive results;
- Dewatering of the Lesedi 3 & 4 pods is continuing according to plan.

Tlou's Managing Director, Mr Tony Gilby commented, "We are very pleased to have now reached CDP at both the Lesedi 3 and Lesedi 4 production pods. The short-term gas flow test at Lesedi 3 has also been positive, and with the primary objective of demonstrating a commercial gas flow rate, we look forward to further testing at both Lesedi 3 and 4. Further updates will be provided in due course."

Production Update

The Lesedi 4 pod has continued to dewater and CDP has now been reached successfully. CDP is the pressure that gas begins to come out of the coal after a careful dewatering process. Gas is now starting to come out of the coal and is steadily building pressure inside the closed casing.

A short-term gas flow test at Lesedi 3 took place after a significant gas pressure build-up inside the well casing. The result of this test is considered by the Company to represent a positive indication of the pod's potential. Post the short-term test, dewatering has continued with the plan to hold the water level just above the coal and continue to draw down pressure in the well allowing gas to flow in a controlled manner, ideally leading to a long-term gas flow from the Lesedi 3 pod.

Further updates on progress at the Lesedi project will be provided as operations develop.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Company Information

Tlou Energy is focused on delivering Gas-to-Power solutions in Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is developing projects using coal bed methane (CBM) natural gas. Botswana has a significant energy shortage and generally relies on imported power and diesel generation to fulfil its power requirements. As 100% owner of the most advanced gas project in the country, the Lesedi CBM Project, Tlou Energy provides investors with access to a compelling opportunity using domestic gas to produce power and displace expensive diesel and imported electricity.

The Company is listed on the Australian Securities Exchange, London's AIM market and the Botswana Stock Exchange and is led by an experienced Board, management and advisory team including individuals with successful track records in the CBM industry.

Since establishment, the Company has significantly de-risked the project in consideration of its goal to become a significant gas-to-power producer. The Company flared its first gas in 2014 and has a 100% interest over its Mining Licence and ten Prospecting Licences covering an area of ~9,300 Km² in total. The Lesedi and Mamba Projects already benefit from significant independently certified 2P gas Reserves of ~41 BCF. In addition, 3P gas Reserves of ~427 BCF and Contingent Gas Resources of ~3,043 BCF provide significant additional potential.

The Company is planning an initial scalable gas-to-power project. Following successful implementation of this first scalable project, the Company looks forward to evaluating longer-term prospects for the delivery of electricity generated from CBM in Botswana to neighbouring countries.

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